

Applicant's Guide to Idaho's Public Wastewater Facilities Planning Grant Program

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Forms

- A: Application Form and Checklist PDF Format | Word Format
- B: Authorizing Resolution PDF Format | Word Format
- C: Engineering Contract Checklist PDF Format | Word Format
- D: Certificate of Negotiation PDF Format | Word Format
- E: Proof of Professional Liability Insurance PDF Format | Word Format
- F: Certification of Financial and Management Capability PDF Format | Word Format
- G: Incorporated Nonprofit Applicants Application Checklist PDF Format | Word Format
- H: Plan of Study Checklist PDF Format | Word Format
- I: Facility Plan Outline and Checklist PDF Format | Word Format
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- K: Outlay Report and Request for Reimbursement PDF Format | Word Format

Introduction

The Department of Environmental Quality's (DEQ's) Wastewater Planning Grant Program provides financial assistance to eligible entities in Idaho planning to upgrade public wastewater facilities. Each prospective project is assigned a priority rating, with the highest rankings given to projects that will most significantly improve the quality of the waters of the state and protect public health.

Grants awarded under this program must be used entirely to prepare facility plans that identify the most cost effective, environmentally sound methods to upgrade public wastewater systems to achieve and maintain compliance with state and federal standards. Grants cover up to 50% of eligible planning costs, with the grantee providing a matching share from local sources.

This guide provides a summary of wastewater planning grant procedures and is not intended to be all-inclusive. Detailed requirements are outlined in IDAPA 58.01.04, Administration of Wastewater Treatment Facility Grants.

Part I: Program Eligibility

Wastewater planning grants are available for counties, cities, special service districts, other governmental entities, nonprofit corporations, and combinations thereof that have authority to collect, treat, or dispose of wastewater. Most systems owned by Idaho municipalities, special water districts, and associations are eligible for grants.

Part II: Overview of the Grant Process

The following is a step-by-step description of the process by which a project is placed on the state's priority list and subsequently receives and uses planning grant funds. The details of each step are included in Parts III through IX of this document.

Step	Description	By	When	Details
1	DEQ solicits interest. Notice is mailed to all eligible wastewater systems in Idaho to solicit interest in applying for a planning grant, and thus be included on a priority list. A letter of interest (LOI) form is included in this notification.	DEQ State Office	February	
2	Indication of system interest. The LOI is completed and returned to DEQ.	System	Early March	
3	Evaluation and prioritization of projects. The LOIs are evaluated and the projects are rated and ranked for inclusion on the priority list. Rating criteria focus on public health emergencies and hazards, threats to special resource waters, and potential health and water quality impacts.	DEQ State Office	March - April	Part III

Step	Description	By	When	Details
4	Solicitation of public review and comment. Public comment is solicited on the priority list. The list is published in all major daily newspapers in the state and on DEQ's Web site, and a public hearing is held.	DEQ State Office	April - May	
5	DEQ board approval. The priority list is reviewed and approved by the Board of Environmental Quality.	Board of Env. Quality	June	
6	Match of priority projects to available funding. Top-rated projects for which funding is available are identified.	DEQ State Office	June	
7	Invitation to submit grant application. Invitations to submit grant applications are mailed to systems with top-rated projects for which funding is available.	DEQ State Office	July	
8	Response to grant application invitation. Invited systems that wish to apply for a grant send a LOI to apply (or application package) to DEQ within 30 days. Systems that fail to respond within 30 days may be bypassed.	System	Within 30 days of receipt of invitation to apply	
9	Hire engineer. A professional engineer is hired to complete the facility planning document. The process for selecting an engineer must be consistent with guidance in Idaho Code 67-2320. <i>The hiring process is completed concurrent with the preparation of the application package.</i>	System	Upon receipt of invitation to apply	Part V
10	Completion and submittal of application package. Systems complete and submit the Idaho Wastewater Facility Planning Grant Application form and related documents to the nearest DEQ regional office.	System	Target date specified in LOI to apply	Part IV
11	Review of application. Application is reviewed for eligibility and completeness. Approved application packages are sent to the DEQ State Office.	DEQ regional office	As scheduled	
12	Extension of grant offer. Grant offers are prepared and signed by the DEQ director or his designee, executing a grant contract agreement subject to all applicable state laws. The offer is then sent to successful applicants by certified mail.	DEQ State Office	As needed	

Step	Description	By	When	Details
13	Review and acceptance of grant offer. Grant offers are reviewed and officially accepted. To accept, the authorized representative of the qualified entity signs and returns the grant offer to DEQ within 30 days from the date of the offer. If the applicant does not accept the grant offer within the 30-day period, the grant offer may be withdrawn and grant funds may be offered to the next priority project.	System	Within 30 days of receipt of grant offer	
14	Consultation on drafting of facility plan and environmental information document (EID). DEQ advises system and system's engineer on content of facility plan and related EID. Consultations continue throughout the process.	System, system's engineer, DEQ regional office	As needed	Part VII
15	Completing the facility plan. The engineer will survey the existing condition of the system, determine the most cost-effective alternative to change the system to meet future needs, and prepare an EID to assess the potential impacts of the project.	System's engineer	Within 12 months of execution of grant contract agreement	Part VII
16	Solicitation of public review and comment. Public comment is solicited on the draft facility plan and EID and, if required, the environmental impact statement. At least one public hearing must be held within the system's jurisdiction.	System	As scheduled	
17	Submittal of final facility plan and EID. The facility plan and EID are submitted to DEQ for review and approval.	System	As scheduled	
18	Review and approval of facility plan and EID. Draft facility plan is reviewed and approved or modified, based on cost effectiveness, environmental impact, and public comment.	DEQ regional office	As scheduled	Part VIII
19	Request for reimbursement. Reimbursement may be requested anytime after entering into a grant contract agreement.	System	As needed	Part IX

Part III: DEQ's Priority Rating System

Prospective projects are evaluated, rated, and ranked by DEQ for inclusion on the annual priority list. The following questions are considered when ranking the projects:

- Is there a public health emergency (certified by the Board of Environmental Quality or the board of an Idaho Public Health District) related to the wastewater system?
- Has an Idaho Health District Department or DEQ documented a public health hazard?
- Does the wastewater system affect special resource waters (as designated in Water Quality Standards and Wastewater Treatment Requirements, IDAPA 58.01.02.056 and .02.110 - .02.160)?
- Are there other potential public health hazards and/or water quality impacts related to the wastewater system?

Part IV: Application Package Requirements

Systems with fundable planning projects on the priority list are issued invitations to apply for a grant. Invitations are normally issued in July of each year.

All application packages must contain the following documents and related information:

- Completed Idaho Wastewater Facility Planning Grant Application (Form A).
- Authorizing Resolution (Form B).
- Contract(s) for Engineering Services (see Form C).
- Certificate of Negotiation (Form D).
- Justification for Engineering Firm Selected.
- Proof of Professional Liability Insurance (Form E).
- Certificate of Financial and Management Capability (Form F).
- Articles of Incorporation and/or Bylaws for Incorporated Nonprofit Applicants (see Form G).
- Plan of Study (see Form H).

Forms A – H are to be used by potential grantees in the process of applying for a grant. Three additional forms (Form I, Facility Plan Outline and Checklist; Form J, Outline and Checklist for Environmental Information Documents; and Form K, Outlay Report and Request for Reimbursement) are also provided by DEQ. These three forms are for use by grantees after the grant has been awarded.

The following directions are provided to assist systems in properly completing the documents required as part of the application package.

Idaho Wastewater Facility Planning Grant Application (Form A).

Use Form A to provide the information listed below. An application checklist is attached at the end of Form A.

Section I: General Information

DEQ needs accurate identifying information for preparing a grant offer and for record-keeping purposes. The following information needs to be provided in Section I of the application:

- The name of the wastewater system.
- A mailing address for the system.
- The name and title of a contact person in the community who will be able to answer questions about the proposed project.
- The title of the project and a description of the project tasks to be completed with the grant funds.
- The area of impact (the geographic boundaries of the project, such as the limits of a city, district, or homeowners association).
- The population of the area to be studied under the grant-supported project.
- Proposed funding of the project including the state and grantee shares, as well as funding shares from any other source.
- The date of commencement of the project, the approximate project duration (in months), and the date when the final facility plan will be completed and submitted to DEQ for review and approval.
- The name and signature of the authorized representative (see Authorizing Resolution [Form B] below).

Section II: Budget Information

Part A: Calculation of Grant(s)

Segregate grant-eligible costs of the project into appropriate categories and indicate project-specific amounts in the right hand column of the budget sheet. Engineering fees comprise the major cost for all planning grants.

Grant-related local administrative costs incurred after the grant is awarded are eligible; those incurred prior to the award are not.

Part B: Proposed Method of Financing Non-State Share

Explain how the grantee's share of the project costs will be financed, listing methods of financing and the respective amounts. Also identify other sources of funding.

Section III: Assurances

An authorized representative of the applying entity must sign and agree to provide assurances of compliance, legal authority, and funding.

Authorizing Resolution (Form B).

Submit an authorizing resolution approved by a majority of the applicant's governing body that authorizes an elected official or chief financial officer of the qualifying entity to commit local matching funds and to sign all documents related to the DEQ grant. The blank authorizing resolution form (Form B) can be used to meet this requirement.

Engineering Contract Checklist (Form C).

The engineer will prepare a contract covering facility planning services through negotiations with the grantee. The engineering contract must be reviewed by DEQ engineering staff and approved. Applicants may use the Engineering Contract Checklist (Form C) to determine if the engineering contract contains the necessary information.

Certificate of Negotiation (Form D).

Idaho Code 67-2320 prescribes a procedure for hiring a professional engineer. Applicants for DEQ grants must pay close attention to two major requirements in this law. These are:

- Selecting an engineer by a competitive process, and
- Negotiating a fair and reasonable price for engineering services.

The applicant must demonstrate that both of these requirements have been addressed by completing the following actions:

- Justify selection of an engineer.

The grantee must submit proof that a competitive process was used to select a professional engineer to do planning work funded in part with a DEQ grant. Acceptable documentation can include a letter from the authorized local official explaining how the consultant was hired and/or a copy of the newspaper notice of the request for proposals (RFP). The hiring process used must meet minimum requirements set down in Idaho Code 67-2320.
- Issue a certificate of negotiation.

The grant recipient must negotiate with the consulting engineer concerning the scope and cost of the work to be performed under a DEQ grant. The objective is to obtain the best quality work at a fair and reasonable cost. The Certificate of Negotiation form (Form D) should be signed following negotiations to verify that the state funds used to complete necessary planning tasks will be used in the most efficient manner.

Proof of Professional Liability Insurance (Form E).

The grantee's engineer consultant must certify that he/she has insurance to protect the public from negligent acts and errors of a professional nature.

A certification of professional liability insurance must be submitted. The engineer's policy must provide an aggregate total of \$100,000 or twice the amount of the engineering firm's fee, whichever is greater, and must cover all services rendered for all project steps whether or not such services or steps are state funded until the certification of project performance is accepted by DEQ. The Proof of Professional Liability form (Form E) can be used to demonstrate that this requirement has been met.

Certification of Financial and Management Capability (Form F).

The grantee must certify that it possesses the financial and managerial capability to accept and properly administer a grant. The Certificate of Financial and Management Capability form (Form F) can be used to meet this requirement.

Incorporated Nonprofit Applicants Application Checklist (Form G).

Incorporated nonprofit applicants must demonstrate that their articles of incorporation and/or bylaws contain all items included in Idaho Code 30-3. A checklist (Form G) has been developed to help the applicant ensure that it meets all these requirements.

Plan of Study (Form H).

The application package should include a plan of study describing the work tasks to be performed in the facility planning effort. A plan of study outline (Form H) provides guidance in preparing the plan. It is a summary of the more comprehensive Wastewater Facility Plan Outline and Checklist (Form I). The plan of study should be submitted to DEQ with the application.

Use Form H to provide the following information:

- Project identification and background
- Tasks to be completed:
 - Determine existing conditions.
 - Determine future conditions.
 - Develop and screen construction alternatives that will meet 20-year needs.
 - Select final alternative.
 - Develop implementation plan.

Part V: Professional Engineer Selection

Systems must hire a professional engineer to conduct wastewater planning projects funded by DEQ planning grants. This section provides a summary of the procedures and requirements for hiring a professional engineer and is not intended to be all-inclusive. Detailed requirements are outlined in Idaho Code 67-2320.

Step 1: When to begin.

DEQ recommends that systems begin the engineering selection process immediately upon receipt of the invitation to submit a grant application. It is advantageous to complete the hiring process before submitting the application package to provide the opportunity for the selected engineer to assist in completing the application package.

Step 2: The competitive process.

The engineering selection process must be competitive, affording all interested and qualified engineers an equal opportunity to compete for the contract. The standard method of satisfying this requirement is to develop and solicit a RFP to solicit proposals from qualified engineers. Describe the following in the RFP:

- Proposed project including its purpose, location, time frames, and present status.
- Specific tasks the successful candidate will be required to complete. *Note:* DEQ grants can only be used to do planning work.
- Contract terms and conditions including the basis for payment (i.e., lump sum, cost plus fixed fee, etc.).
- Evaluation process for proposals submitted in response to the RFP.
- Minimum professional requirements the successful engineer must meet to be qualified and suggest ways candidate engineers can show they are qualified to complete the identified project. (See following step.)

Instruct engineering candidates to submit proposals directly to the system. To assure a competitive process, proposals from at least two engineers should be considered.

Step 3: Minimum qualifications.

Engineers must meet all of the following minimum qualifications to be considered for work on a DEQ planning grant project:

- Must be registered as a professional engineer and currently licensed by the Idaho Board of Professional Engineers and Land Surveyors.
- Cannot be disbarred or otherwise prevented from providing services under another federal or state financial assistance program.
- Must be covered by professional liability insurance for errors and omissions in the aggregate amount of \$100,000 or twice the amount of the engineering firm's fee, whichever is greater. The insurance must also indemnify services rendered for all project steps funded by the state, system, or other entity during the entire period the engineer is working for the system.

Systems may require prospective engineers to document compliance with the minimum qualifications by submitting photocopies of licensure documents and signed statements of professional status. The professional status of an engineer also may be verified through the Idaho Professional Engineers and Land Surveyors Board.

To document liability insurance compliance, prospective engineers may provide an insurance company voucher or use Form E (Proof of Professional Liability Insurance form).

Step 4: Evaluation of proposals.

Systems must evaluate and rank proposals. Interviews should be conducted with top candidates.

Step 5: Negotiations with selected engineer.

Systems are required to discuss and satisfactorily negotiate the following items with the selected engineering candidate (or top-rated candidates):

- Scope and extent of work and other essential requirements.
- Personnel and facilities necessary to accomplish the work within the required time, including employment of additional personnel when needed.
- Technical services required to complete the project in accordance with regulations and criteria established for the project.
- A fair and reasonable price for the required work.

Step 6: Required documentation.

Systems must submit the following documents relating to the engineer selection process in the application package:

- *Certificate of Negotiation* verifying that the scope and cost of engineering work to be performed has been negotiated with the engineering firm. Form D is a sample certificate of negotiation that may be used to demonstrate compliance.
- *Justification for Engineering Firm Selected* proving that a competitive process was used to select a professional engineer to perform planning work funded in part with a DEQ grant. Acceptable documentation may include a letter from the authorized local official and/or a copy of the newspaper notice of the RFP.
- *Engineering contract*. Refer to the Engineering Contract Checklist (Form C) to assure compliance. The contract between the system and selected engineer will be reviewed as part of the application evaluation process.

Part VI: Project Funding (Eligible Costs)

Grants awarded under this program must be used entirely to prepare a facility plan identifying the most cost effective, environmentally sound wastewater system alternative to achieve or maintain compliance with the Water Quality Standards and Wastewater Treatment Requirements (IDAPA 58.01.02) and the Clean Water Act.

Grants are limited to 50% of total eligible project costs. Eligible costs may include, but are not limited to, the following:

- Salaries, benefits, and expendable material the qualified entity incurs in the project except ordinary expenses of local government such as salaries and expenses of a mayor, city council members, board, or a city, district, or board attorney.
- Professional and consulting services using any type of contract except cost plus percentage of construction.
- Engineering services directly related to the planning of public wastewater treatment, storage, and collection facilities including, but not limited to, preparation of a facility plan and environmental review report.
- Financial, technical, and management capability analyses.
- Public participation during the alternative selection process.
- Certain direct and other costs as determined eligible by DEQ.
- Site acquisition services, which may include legal fees, appraisals, and surveys for future land purchases.

The following costs are ineligible for funding:

- Basin or area-wide planning not directly related to the project.
- Personal injury compensation or damages arising out of the project.
- Fines or penalties due to violations of, or failure to comply with, federal, state, or local laws.
- Costs outside the scope of the approved project.
- Ordinary operating expenses of local government, such as salaries and expenses of a mayor, city council members, or city attorney.
- Preparation of a grant application.
- All costs related to assessment, defense, and settlement of disputes.
- Costs of supplying required permits or waivers.
- Costs incurred prior to award of the grant unless specifically approved in writing as eligible pre-award costs by DEQ.
- Engineering costs incurred prior to approval of the engineering contract or in excess of the contract ceiling unless pre-approval in writing by DEQ.
- Land acquisition and associated costs other than those listed as eligible above.

Part VII: Preparation of Facility Plan and Environmental Information Document

Systems must complete a facility plan in compliance with Chapter 5 of the *Procedures Manual for State Municipal Wastewater Treatment Facilities Grants*. The purpose of the plan is to evaluate feasible treatment and collection alternatives for the system and to determine the most cost-effective, environmentally sound alternative. Public input must be solicited during development of the facility plan, and at least one public hearing must be held before the plan is finalized. The planning period must be 20 years for all facilities except distribution and transmission systems, which must be for 40 years.

At a minimum the facility plan must include:

- A description of existing conditions for the proposed project area.
- A description of future conditions for the proposed project area.
- A description of the development and initial screening of alternatives.
- A description of the final screening of principal alternatives and plan adoption.
- A description of the selected plan and implementation arrangements.
- The relevant engineering data supporting the final alternative and the environmental information document (EID).

Refer to the Facility Plan Outline and Checklist (Form I) to assure compliance.

In conjunction with the facility plan, systems are required to complete an EID. The purpose of the EID is to determine if construction of the project as planned is likely to negatively impact sensitive environmental resources.

Systems are advised to consult with DEQ early in preparation of the facility plan to determine the required level of environmental review. In assessing potential impacts, the system must consult with one or more state or federal agencies having official jurisdiction over the environmental resources. If negative impacts to sensitive environmental resources are identified, the system must develop and implement mitigation measures as the project moves into the design and construction phases.

At a minimum, the EID must include:

- A description of the purpose and need for proposed action.
- A description of the proposed construction alternative.
- A description of the affected environment.
- A discussion of the environmental impacts of the proposed action.
- A means to mitigate adverse environmental impacts.
- A description of the public participation process.
- A list of referenced documents.
- A list of agencies consulted.
- A mailing list of interested parties.

Refer to the Outline and Checklist for Environmental Information Documents (Form J) to assure compliance.

Part VIII: Review and Approval of Facility Plan and Environmental Information Document

Throughout the development process, DEQ staff engineers work closely with the system and system's engineer to assure that the facility plan is of the highest quality, resolves problems with the wastewater system, and is acceptable to the public. Approval of the final alternative is contingent upon DEQ taking **one** of the following actions:

- Issuing a *Categorical Exclusion* with supporting documentation.
A Categorical Exclusion is issued when it is determined that the proposal actions individually or cumulatively will have no significant effect on the human environment and; therefore, neither a finding of no significant impact nor an environmental impact statement is required.
- Issuing a *Finding of No Significant Impact* (FNSI).
A FNSI is issued when, based on an EID, it is believed that an individual action not otherwise excluded will have no significant effect on the human environment. The document explains why no significant effect is anticipated and includes an environmental assessment or a summary of it and other related documents. An environmental impact statement is not required.

The FNSI is a draft document, subject to a 30-day public comment period, after which it may be finalized by DEQ.

- Requiring the grantee to prepare an *Environmental Impact Statement* (EIS).
An EIS is required when DEQ determined that the proposed project would significantly affect the environment. The purpose of the EIS is to describe the project's potentially significant impacts and to explain how the impacts can be either avoided or mitigated.

The EIS is a draft document, subject to a 30-day public comment period and a public hearing, after which it may be finalized by the system and submitted to DEQ for approval.

Part IX: Payments

Systems are required to use the Outlay Report and Request for Reimbursement form (Form K) to submit requests for payment. Reimbursement is limited to eligible costs.

If eligible project costs exceed approved costs, systems may request a grant increase, subject to available funding. Documentation and justification for an increase must be submitted *before* additional costs may be incurred.

If eligible project costs are lower than approved costs, funding will be reduced accordingly.

DEQ may conduct a final project review to determine actual eligible costs. The system's financial records may be reviewed by DEQ. The final project review may be deferred until a review of the design/construction loan has been completed.

Payment of the last 5% of the total grant is subject to final DEQ approval of the facility plan, completion of the environmental review process, and finalization or deferment of the final project review.

For More Information

- Contact DEQ's Wastewater Planning Grant Program at (208) 373-0502.
- Link to planning grant forms on DEQ's Web site at
http://www.deq.state.id.us/water/forms_water/MasterList.htm